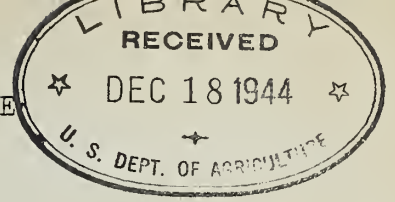


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UNITED STATES DEPARTMENT OF AGRICULTURE
Surplus Marketing Administration



No. 1

SMA DEFENSE LETTER

Wash., D. C., Dec. 1, 1941

THE SMA DEFENSE LETTER is intended primarily for the information of representatives on State Defense Boards. Copies will also be sent to top administrative officials and regional officers. Will be issued at fairly regular intervals - probably about once a week. Regardless of their own particular line, SMA men must know and represent all SMA programs which are related to Defense Board work. The Letter will carry highlights, and refer to important source material.

1942 REQUIREMENTS OF CANNED VEGETABLES FOR DEFENSE needs were discussed at a conference called by SMA and held at the Department of Agriculture here last week. More than 200 canning vegetable growers, canner representatives, extension specialists and Government officials attended and considered tentative production goals for 1942 of 44,000,000 cases tomatoes, 42,000,000 cases peas, 14,000,000 cases snap beans and 25,000,000 cases corn. BAE in setting tentative goals gave consideration to regular domestic consumption, Army and Navy requirements, school lunch and public-aid family distribution, purchases under Lend-Lease and stockpiles. Delegates considered them from standpoint of adequacy, feasibility and problems involved in reaching them. Problems aired included questions of prices and price supports, possible shortages of farm and cannery labor, priorities for farm and cannery equipment and supplies and area differences in basic production problems. Discussion will play big part in development of a definite program and goals for canning vegetables, which SMA Administrator Hendrickson, who presided, said would be announced about mid-December. (See press releases Nov. 27 and 28.)

DELIVERIES OF LEND-LEASE FOOD TO BRITAIN are being reported by SMA 30 days after date of delivery. First report, covering period April to Oct. 1, shows nearly 1,650,000,000 pounds of agricultural commodities, costing \$200,000,000, delivered. December report on deliveries during October will show increase in operations, Administrator Hendrickson said in making figures public. "These food shipments are proving a vital factor in Great Britain's fight against aggression," he stated. Most important commodities shipped were animal products, cheese, dried and evaporated milk, eggs, pork, lard. Also fruits and vegetables, grain and cereal products, fats and oils, other food-stuffs, cotton, tobacco, naval stores. (See press release of Nov. 21.) MORE COMPLETE REPORTS ON PURCHASE ACTIVITIES are now being prepared by SMA...Will include names of concerns, quantities and values...Expected that this information will be of use in demonstrating importance of Lend-Lease purchase to American agriculture.

WARNING AGAINST OVERCONFIDENCE was sounded by Administrator Hendrickson in speech before National Fertilizer Assn. in Atlanta Nov. 19. This talk pointed out need for all-out cooperative effort, outlined some difficulties in reaching goals, gave preliminary report on Lend-Lease transfers, and emphasized need of domestic distribution programs now and after emergency. (See copy address).

IDDA DEP'T: In a number of States local Stamp Plan Food Industry Committees are assisting in distribution of Defense Board material.

POST WAR PLANNING Committee has been set up by USDA. Will plan 3-point program with nine regional committees of farmers and Dep't workers. Points: 1. works program to build Nation's natural resources; 2. program to provide services and facilities for farm people; 3. study of agricultural-industrial relations in post-defense period.

MORE DRY SKIM MILK NEEDED -- MORE DAIRY EQUIPMENT RECOMMENDED FOR FARMS -- EGG DRYING FACILITIES ARE AMPLE: According to USDA in press releases during past week. Heaviest needs for dry skim milk still ahead...sharp production increases necessary to meet requirements of Lend-Lease shipment goals set at 200,000,000 pounds...Means 40 to 50% increase in US total production. Present US production up 10% over last year. Department of Agriculture recommended to Defense officials increased amounts of dairy equipment be made available to farmers next year to assist increased production and replace workers gone to Army and industry...OPM issued order enabling immediate production 1,340,000 milk cans...is facilitating priority action on milking machines. Facilities for producing dried eggs for Lend-Lease more than ample now. Further expansion not desirable. Estimated full time egg drying capacity on Nov. 1 approximated 167,000,000 pounds annually compared with 40,000,000 to 50,000,000 last spring and estimated need of 114,000,000 pounds annually. Milk driers who turned to part or full time drying of eggs since Sept. 1 have been asked to return to dried skim milk production "otherwise they may be contributing to a possible surplus of dried egg products which may have serious repercussion on the poultry industry as a whole."

DEPARTMENT NOW CONSIDERING PLANT EXPANSION LOANS for coop dairy plants. Under proposed plan coops would install new equipment, using temporary loan from Bank for Coops (Farm Credit Administration). Upon completion, Govt would purchase new facilities with Lend-Lease funds, hold title, and lease to coops. When facilities no longer needed coops would have option to purchase or discontinue lease. Coops must be strategically located where adequate volumes of milk are or can be shifted from delivery to plants in the form of cream to delivery as whole milk, and in areas now without adequate facilities for manufacturing cheese, evaporated, or dry skim. SMA and FCA will consider applications from coops. Whether Program will be extended to organizations other than coops depends on rates of increase in production and total industry expansion

USDA HASN'T ASKED FARMERS TO RAISE 14 PERCENT MORE CHICKENS IN 1942. This is a misunderstanding, say poultry experts. Instead, Dep't has asked for 14 percent increase in the number of chickens slaughtered in 1942. Heavier marketing of fowl and an expected -- but not requested -- increase in production of commercially raised broilers will make possible the 14 percent rise in slaughtering with only about 7 percent production rise.

SMA REPRESENTATIVES ON DEFENSE BOARDS: Queries or needs for spot information may be sent directly to Administrator Hendrickson, SMA, Washington, D. C. (NOTE: Copies of releases mentioned in this letter are enclosed.)